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INVESTMENT FRAUD

Bitcoin scams: Indian investors eager for quick profits are being duped by conmen

They lure people into investing in non-existent virtual currencies by promising huge returns after a lock-in period.

by *Abhishek Dey*

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via YouTube

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Abhishek Dey



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The rising value of bitcoin is attracting thousands of investors in India. Every day, around 2,500 people are estimated to be buying into the digital currency created by people around the world running computers using software that solves complex mathematical problems. But this surge in demand has an ugly side: scamsters who are capitalising on this bullish trend to dupe people.

At the beginning of 2017, a bitcoin was valued at around \$1,000 but by early December it was trading at \$16,000. Investment pundits have attributed this surge to a range of factors – from the Brexit referendum in Britain to Donald Trump taking over as president of the United States to bitcoin being legalised in Japan in April 2017. On January 12 this year, after a few weeks of fluctuations, the price settled at around \$14,000. That same day, news came that Reliance Jio Infocomm was planning to launch a new cryptocurrency called JioCoin.

encryption techniques to secure transactions, control the creation of additional units, and to verify the transfer of assets.

But this has not stopped people in India from becoming victims of such ponzi schemes who lead victims to believe that they are investing in virtual currencies. A ponzi scheme is a fraudulent investment operation in which returns for older investors are paid from money received from new investors, instead of profits from a legitimate business activity. In April 2017, the Mumbai police unearthed a Rs 75-crore ponzi scheme involving an alleged cryptocurrency called OneCoin. A similar **operation** involving something called ATC coin was busted in October.

At least eight such scams have been reported to the Delhi police since October. In December, the police busted a multi-crore ponzi scheme whose operators duped people by offering investment in a cryptocurrency called Kashh coin.

How it works

Describing how one of these eight cases worked, Alok Kumar, joint commissioner in the Delhi police's Crime Branch, said that the coins were initially launched at a rate of Rs 3.50 per coin and the victim was promised that he would earn huge profits after a lock-in period.

"The accused organised lavish seminars in different places, including Mumbai, Chandigarh, Raipur and Nagpur, for business promotion," Kumar said. "At these seminars, they would lure people into investing in this coin claiming that its rate will cross the cost of bitcoin one day. They used to invite eminent personalities to these semin



only performed at the event and had not endorsed Kasnn Coin.

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commission earned by workers below them in the chain. Most ponzi scams in India, including the ~~Rajnandha~~ ~~scam~~ that was exposed in 2013, followed the multi-level marketing strategy.

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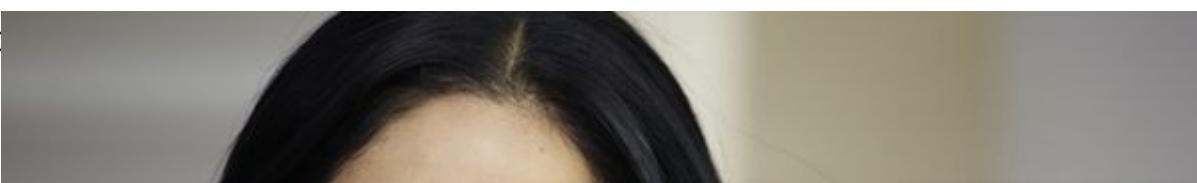
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It's not just your network, India's 4G speed is rubbish
Put simply, instead of shares in a company, the investors in these schemes are offered units of



"AS far as I am concerned, the idea can be used as a tool for investment," says Sridevi's son, Armaan. "The part of the people who are interested in it are people who have targets vs

articles, who want to go for lucrative investments but do not have much idea about Actor Sridevi's body taken to Dubai airport after embalming how cryptocurrencies function."

There are several videos online explaining new cryptocurrencies, including some on that are now on the radar of the police. Their operators talk about the great ratings of their coins, suggesting that investing in them would be lucrative.

Trends related to the prices of cryptocurrencies are visible in websites known as crypto-currency exchanges. The reliability of a crypto-currency exchange has been busted

"It needs to be understood that there is nothing scientific or technical about it. It is just a marketing exercise to attract a particular target audience."

We were



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WATER DISPUTE

Cauvery water should not be allocated on the basis of groundwater estimates, say experts

Last week, the Supreme Court reduced Tamil Nadu's share – even though the state's water table has fallen.

by [Vinita Govindarajan](#)

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The Supreme Court has relied on groundwater estimates from reports dating back to the 1970s and 1980s to reduce the amount of water Karnataka must release from the basin of the Cauvery river to Tamil Nadu. But studies in the last decade show the groundwater situation in Tamil Nadu has worsened.

On February 16, the court pronounced its verdict on appeals filed by Karnataka and Tamil Nadu against the final allocation of water decided by the Cauvery Water Dispute Tribunal in 2007. The court decided to reduce Tamil Nadu's share by 14.7 thousand million cubic feet – from 192 thousand million cubic feet to 177.2 thousand million cubic feet – citing that the tribunal had not taken into account that the state has a minimum 10 thousand million cubic feet of available groundwater that can be used for irrigation.

groundwater resources. The fertile delta in the lower reaches of the river includes the three major districts of Thanjavur, Thiruvarur and Nagapattinam. Nagapattinam showed the greatest lowering of the water table in this period. Moreover, the salinity of groundwater in these districts is excessive, said S Janakarajan, a retired professor at the Madras Institute of Development Studies. With the river dry for most of the year, seawater has been invading the canals in the basin and seeping into groundwater resources, he added....

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